

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF SOUTH KENTUCKY	)	
RURAL ELECTRIC COOPERATIVE CORPOR-	)	
ATION OF SOMERSET, KENTUCKY, FOR	)	
AN ORDER AUTHORIZING AN INCREASE	)	CASE NO. 8268
IN ITS RETAIL RATES, APPLICABLE	)	
TO ALL CONSUMERS.	)	

O R D E R

IT IS ORDERED that South Kentucky Rural Electric Cooperative Corporation shall file an original and five copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by September 8, 1981. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), page 2 of 5. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information Request No. 1

1. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve-month period immediately preceding the test year.
2. The board resolution approving the November 1980 general wage adjustment.
3. A schedule of salaries and wages for the test year and each of the five calendar years preceding the test year as shown in Format 1, attached.

4. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2, attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount, and brief description of each expenditure.

6. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

7. A copy of the auditor's report from your most recent audit.

8. Provide the utility's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Electrification Administration, for the test year and the five preceding calendar years. Include the data used to calculate each ratio.

9. Provide the utility's rate of return on net investment rate base for the test year and five preceding calendar years.

10. The work papers showing calculations supporting the health and life insurance adjustment and show the increases in insurers' rates. Explain all components used in each calculation.

11. Provide the number of employees covered by the health and life insurance program and the number covered by the pension and savings program. Indicate if these programs cover all employees.

12. Confirm if the \$47,600 shown on Exhibit D, page 34, line 9 is understated by \$10,000.

13. Provide a breakdown of utility plant for state property tax assessments at December 31, 1980. Indicate separately the amounts classified as real estate and tangible personalty and the appropriate assessment rates.

14. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed working papers supporting the analysis. At minimum the working papers should show the payee, dollar amount, reference (i.e. voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

15. A copy of the most recent publication of the Barrower Statistical Profile for South Kentucky Rural Electric Cooperative as published by the Rural Electrification Administration.

16. A copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for 1980.

17. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number of new board members elected, and a general description of the meeting's activities.

Done at Frankfort, Kentucky, this 12th day of August, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voth  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

**Case No. 8268**

## ANALYSIS OF SALARIES AND WAGES

**For the Calendar Years 19      Through 19**  
**And the 12-Month Period Ending**

(8,000)

[illegible]

Case No. 8268

Line No.	Item (a)	12 Months Ended									
		Calendar Years Prior to Test Year									
		5th	4th	3rd	2nd	1st	Test				
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
											(l)
											(m)

7. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (i) Regulatory commission expenses
- (j) Duplicate charges-cr. Miscellaneous general expense
- (k) Rents
- (l) Maintenance of general plant

8. Total administrative and general expenses L7(a) through L7(m)

9. Total salaries and wages charged expense (L2 through L6 + L8)

10. Wages capitalized

11. Total salaries and wages

12. Ratio of salaries and wages charged expense to total wages (L9 + L11)

13. Ratio of salaries and wages capitalized to total wages (L10 + L11)

Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

## South Kentucky Rural Electric Cooperative Corporation

Case Number 8268

## ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended December 31, 1980

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> (b)	<u>Institutional</u> <u>Advertising</u> (c)	<u>Conservation</u> <u>Advertising</u> (d)	<u>Rate</u> <u>Case</u> (e)	<u>Other</u> (f)	<u>Total</u> (g)
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						

## South Kentucky Rural Electric Cooperative Corporation

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## ACCOUNT 930 - MISCELLANEOUS EXPENSES

For the 12 Months Ended December 31, 1980

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount (b)</u>
1.	Industry Association Dues	
2.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Director's Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	



## South Kentucky Rural Electric Cooperative Corporation

Case No. 8268

## Professional Service Expenses

For the Twelve Months Ended December 31, 1980

<u>Line No</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				